



**WASATCH WIND**

Tower Systems and Wind Development

Press Release

## **Utah renewable energy tax credit reauthorized in 2007 Legislative Session**

*June 2007*

Interwest Energy Alliance and Wasatch Wind, Inc. advocated reauthorizing the Utah Energy Tax Credit statute during the 2007 Utah general legislative session. The credit had sunsetted on December 31, 2006. Consequently, the budget office needed to have the funds for the credit re-appropriated. This caused a fiscal note. Through careful study and pressure on legislators and staff our lobbyists were able to reduce the fiscal note to \$1.2 million in the first year and \$2.8 million in the second year. SB 13 was introduced by Sen. Howard Stephenson. Our lobbying team convinced legislative leaders to prioritize the tax credit and to fund the fiscal note. The language of SB 13 was eventually inserted in SB 223 which was an omnibus tax reform package, including a major sales tax cut, further flattening Utah's individual income tax and a number of business tax cuts. SB 223 passed on the last day of the session and was signed by Governor Huntsman on March 14, 2007. Many of the tax cuts ended up with a delayed implementation date of January 1, 2008. In the final hours, our lobbyist was able to convince legislative leaders to make the Renewable Energy Credit retroactive to January 1, 2007, thus making the credit effective immediately. A summary of the final credit language is found below.

### **The credit consists of two parts:**

- Reauthorization of the investment credit for residential and small commercial projects in which 10% of system construction and installation costs can be claimed as an income tax credit up to a maximum of \$2,000 for residential projects and \$50,000 for small commercial projects. Investment credit is not refundable for residential energy projects, but may be carried forward or back four years. The investment credit for small commercial projects is refundable, but may not be carried forward or back.

-Creation of a new production credit of 0.35 cents for each kilowatt-hour produced for large commercial projects. Credit is refundable but cannot be carried forward or carried back. The credit was expanded to include geothermal sources.

To review the full text of SB 223, visit:

<http://le.utah.gov/~2007/bills/sbillenr/sb0223.htm>. –From Desmond Barker, Interwest's Utah lobbyist

For more information about Wasatch Wind go to [www.wasatchwind.com](http://www.wasatchwind.com).

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